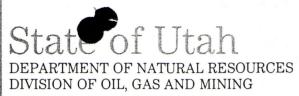


Dianne R. Nielson, Ph.D.



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355 West North Temple 3 Triad Center, Suite 350 Salt Lake City, Utah 84180-1203 801-538-5340

January 18, 1990

Mr. Lee R. Brown, Vice President Employee Relations & Governmental Affairs Magnesium Corporation of America 238 North 2200 West Salt Lake City, Utah 84116

Dear Mr. Brown:

Re: Permit Transfer, Replacement Reclamation Contract & Reclamation Surety Determination, Knolls Solar Ponds & Rowley Magnesium Facility, M/045/022 & M/045/008, Tooele County, Utah

The Division has completed its evaluation of the information submitted by letter dated December 13, 1989, concerning the sale of Amax Magnesium Corporation stock to Renmag, Incorporated. It is our understanding that the stock sales agreement and the corporate name change to Magnesium Corportion of America (Magcorp), will not have an effect on any of Amax Magnesium's previous reclamation and bonding obligations.

Consequently, the Division will not require that a permit transfer and replacement reclamation surety be provided for Magcorp's permitted mining operations. We appreciate your cooperation in resolving this permitting concern. Please contact us should you have any further questions regarding this action.

Sincerely,

D. Wayne Hedberg Permit Supervisor

DWH/jb

cc: Steve Brooks, BLM, Pony Express RA Jerry Mansfield, State Lands Lowell Braxton

MN3/57